

Federal Employment Tax Credits				
Tax Credit	Overview	Eligibility/Qualifications	Application Process	Contacts
Work Opportunity Tax Credit (WOTC) <i>Federal tax credit that encourages employers to hire certain job seekers</i>	Tier One <ul style="list-style-type: none">If work is minimum of 120 hours but less than 400 hours, credit of 25% of the 1st \$6,000. Tier Two <ul style="list-style-type: none">Credit of 40% of the 1st \$6,000 of wages. Must work a minimum of 400 hours.Summer youth: Credit of 25% of the 1st \$3,000. Must work a minimum of 120 hours.	8 Target Groups: <ol style="list-style-type: none">AFDC or TANF recipient for at least nine out of the previous 18 months.Veteran who is a member of a family receiving food stamps (three out of 15 months).Ex-felon from low-income family.An individual (aged 18-24) who lives in an Enterprise Community.An individual with a disability who has received/is receiving rehabilitation services through RI Office of Rehabilitative Services (ORS) or program approved by Department of Veteran Affairs.Youth (age 16-17) employed between May 1 and September 15 living in an Enterprise Community.Qualified food stamp recipient aged 18-24.Supplemental Security Income (SSI) recipients receiving benefits for any month ending within the 60 days before the date of hire.	<ol style="list-style-type: none">Employer completes IRS Form 8850 on or before the day the job offer is made.Mail IRS Form 8850 within 21 calendar days of the employee’s start date to: RI Department of Labor and Training Attn: WOTC Coordinator 1511 Pontiac Avenue Building 73-3 Cranston, RI 02920Employer completes ETA Form 9061, include documentation.Mail as soon as possible.	Program Information: RI Department of Labor and Training Joseph DesRoches 401-462-8802 or Linda Nardella 401-462-8812 Tax Information: Internal Revenue Service (IRS) Karin Loverud 202-622-6080 Enterprise Information: Enterprise Community 800-998-9999
Welfare-to-Work Credit (WWTC) <i>Federal tax credit that encourages employers to hire those receiving long term family assistance</i>	Credit is equal to 35% of “qualified wages” for the 1st year and 50% of “qualified wages” for the 2nd year. Note: Qualified wages cannot exceed \$10,000 a year.	Long-term family assistance recipient defined as a member of a family that: has received AFDC or TANF payments for at least the last 18 consecutive months; or: has received/is receiving AFDC or TANF payments for any 18 months after August 6, 1997; or: ineligible for AFDC or TANF payments after August 5, 1997 because Federal or State law limited the maximum time period that such assistance is payable.	Same four steps as above.	Program Information: RI Department of Labor and Training Joseph DesRoches 401-462-8802 Tax Information: Internal Revenue Service (IRS) Karin Loverud 202-622-6080

Note: WOTC and WWTC authorized until December 31, 2005.

To obtain forms:

ETA Form 9061
Individual Characteristic Form for WOTC, WWTC:
Fax: 401-462-8798 (RI DLT WOTC)
or download at www.doleta.gov

IRS Form 8850
Pre-Screening Notice and Certification Request for the Work Opportunity and Welfare-to-Work Credits
Phone: 1-800-829-3676 • Fax: 401-462-8798 (RI DLT WOTC)
or download at www.irs.ustreas.gov

If you have any questions on the Federal Employment Tax Credits, please call:
Joe DesRoches, Federal Tax Credit Coordinator, at 401-462-8802.

Rhode Island Human Resource Investment Council

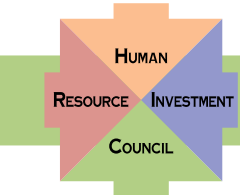
Employment and Training Tax Credit Programs

~ Employers ~

You can benefit from a skilled workforce and increased productivity.



Human Resource Investment Council
1511 Pontiac Avenue • Building 72-2 • Cranston, RI 02920
Ph: (401) 462-8560 • Fax: (401) 462-8860 • www.rihric.com



Investing in Rhode Island’s Future



RI Jobs Training Tax Credit

\$5,000

Up to \$5,000 per employee over 3 years – Encourages all RI businesses to upgrade the skills of their workforce

RI Adult Education Tax Credit

\$5,000

Up to \$5,000 per employer – Allows for worksite and non-worksite vocational training or basic education

RI Employer’s Apprenticeship Tax Credit

\$4,800

Machine Tool and Metal Trade or
Plastics Process Technician


RI New Employment Tax Credit

\$2,400

One time credit – Applies to new hires who have been unemployed or on welfare

Refer to details inside to see if you are eligible to receive any of the tax credits listed.

Employment and Training Tax Credit Summary

Tax Credit	Overview	Eligibility	Application Process	Contacts/Resources <small>(All numbers are within the 401 area code)</small>
<div>RI Jobs Training Tax Credit</div> <div><i>This tax credit is designed to encourage all Rhode Island businesses to upgrade the skills of their workforce</i></div>	<ul style="list-style-type: none">50% credit up to \$5,000 per employee over three years.\$1,000 of the training expenses can be based on employee’s wages.No credit will be granted without the prior approval of HRIC.Training dollars expended and taken as a credit under other state tax programs are not eligible for this tax credit.	<p>Employer: All for-profit RI businesses are eligible except certain professional services such as medical, legal, accounting, engineering, and other similar services.</p> <p>Employee: Generally cannot earn more than \$80,000. Must work at least 30 hours per week at the time of training and for 18 months upon completion of training. Must earn 150% of RI minimum wage upon completion of training.</p> <p>Training: Qualified training programs are those that build the skills necessary to improve work performance. Orientation programs, general health programs, and seminars or conferences not directly related to the employee’s job description do not qualify. Training must take place in Rhode Island unless training is not available in the state or the training is available at a lower price out of state.</p>	<ol style="list-style-type: none">Contact HRIC for Application Package or download the application and instructions at: www.rihric.com/hRICTaxCredits.Complete application and return to HRIC at 1511 Pontiac Avenue, Cranston, RI 02920.HRIC approves training program.Employer starts training program within six months of approval.Employer files tax credit with copy of HRIC approval letter along with RI State Tax Form.	<div>Tax Information: RI Division of Taxation222-6265</div> <div>Technical Assistance: RI Human Resource Investment Council462-8862</div> <div>RI Economic Development Corporation222-2601 Ext. 149</div> <div>Workforce Partnership of Greater Rhode Island222-2090</div> <div>Providence/Cranston861-0800</div> <div>Workforce Development Office</div>
<div>RI Adult Education Tax Credit</div> <div><i>Allows for both worksite and non-worksite vocational training or basic education</i></div>	<ul style="list-style-type: none">Tax credit of 50% of the costs incurred up to a maximum of \$300 per employee and \$5,000 per employer.Credit is not refundable.Must file with the Division of Taxation by the end of the calendar year.	<p>Program: Must be designed to alleviate illiteracy and provide opportunities for academic achievement up to grade 12. Examples include:</p> <ul style="list-style-type: none">readingsciencewritingarithmeticsocial studiespre-vocational subjectsEnglish as a Second Language (ESL)GED preparationvocational trainingcitizenship for immigrants 	<ol style="list-style-type: none">Contact the RI Division of Taxation at 222-1040 and request tax form RI 6324 – Adult Education Tax Credit.For the tax year, file the completed Adult Education Tax form along with the business’ tax return.	<div>Program Information: RI Department of Labor and Training, Employer Service Unit1-888-616-5627</div> <div>Tax Information: RI Division of Taxation (Form RI 6324)222-1040</div>
<div>RI Employer’s Apprenticeship Tax Credit</div> <div><i>Machine Tool and Metal Trade or Plastics Process Technician</i></div>	<p>Credit applies to new machine tool and metal trade apprentice or plastics process technician apprentice.</p> <ul style="list-style-type: none">Annual credit is 50% of actual wages paid to the qualifying apprentice or \$4,800, whichever is less.Pre-apprentices are not counted as apprenticeships and are not eligible for the tax credit.	<p>Program: The individual must be enrolled as a qualifying machine tool and metal trade apprentice or plastics process technician apprentice registered with the State Apprenticeship Council. The program must total between 4,000 and 10,000 hours and is limited to the following trades:</p> <ul style="list-style-type: none">machinisttoolmaker, tool and diemakermodel makergage makerpattern maker, mold makerplastics process techniciantool and machine setter, machine tool repairdie sinker	<ol style="list-style-type: none">Contact the State Apprenticeship Council at 462-8536 to register your apprentice program. Register and enroll your full-time employee as an apprentice with the State Apprenticeship Council.Complete Employer’s Apprenticeship Credit RI 2874 (available at RI Division of Taxation) and send along with RI tax form.	<div>Program Information: State Apprenticeship Council462-8536</div> <div>National Tooling and Machine Assoc. (NTMA)825-1047</div> <div>RI Plastics Partnership Council, Inc.885-2112</div> <div>Tax Information: RI Division of Taxation (Form RI 2874)222-1040</div>
<div>RI New Employment Tax Credit</div>	<ul style="list-style-type: none">Applies to new hires who have been unemployed or have received AFDC (Aid to Families with Dependent Children) or TANF (Temporary Assistance for Needy Families).One time credit of \$2,400.	<p>Employee: Must be a RI resident for 52 consecutive weeks, prior to date of hire and unemployed for at least 26 consecutive weeks, prior to the date of hire and either, received AFDC or TANF for 1 year, preceding date of hire or received Unemployment Insurance at any time during the 52 weeks prior to date of hire.</p>	<ol style="list-style-type: none">Contact the RI Department of Labor and Training at 462-8405 within 30 days of hiring employee.DLT will certify eligibility for the tax credit.After one year, DLT will contact employer to verify employee is still working at company.Employer files for tax credit.	<div>Technical Assistance: RI Department of Labor and Training462-8405</div>